

UNITED STATES PATENT APPLICATION

of

Vincent P. Annunziata
One Cobb Island Drive
Greenwich, CT 06830-7244

for

SYSTEM FOR TRADING COMMODITIES AND THE LIKE

Attorneys for Applicant
Gene S. Winter, Registration No. 28,352
J. Bradley Wright, Registration No. 47,188
ST. ONGE STEWARD JOHNSTON & REENS LLC
986 Bedford Street
Stamford, CT 06905-5619
203 324-6155

Express Mail Certificate: I hereby certify that this correspondence is today being deposited with the U.S. Postal Service as *Express Mail Post Office to Addressee* Mailing Label Number EL574204441US in an envelope addressed to: BOX PATENT APPLICATION; Assistant Commissioner for Patents; Washington, DC 20231.

January 18, 2001


JoAnne M. Cassone

PATENT
03169-P0004B GSW/JBW

Title Of Invention

SYSTEM FOR TRADING COMMODITIES AND THE LIKE

Prior Application

This application claims benefit of United States Provisional Patent
5 Application Serial No. 60/177,275 filed January 21, 2000.

Field Of The Invention

The invention relates to a system for trading commodities and the like
over the Internet.

Background Of The Invention

10 The commodities market is a constantly evolving market covering a
wide variety of tradeable goods. There are three basic segments of the
commodities market: agricultural, natural resources, and financial instruments.
The agricultural segment is a broad segment covering everything from grains,
such as corn and wheat, to oils and meal, such as soybeans and sunflower
15 seed oil, to livestock such as live cattle and pork bellies. The agricultural
segment also includes forest products, such as lumber and plywood, textiles
such as cotton, and foodstuffs such as coffee and sugar. The natural
resources segment covers metals and petroleum, such as gold, copper, crude
oil and natural gas. The financial instruments segment is another broad
20 market covering everything from interest bearing assets, such as government
treasury bills to municipal bonds, to foreign currencies, such as the yen and
Euro, to futures on most major indexes, such as the S&P 500 and New York
Stock Exchange Composite. For each of these commodities there are

different contract months, grades, amounts, and types available for trading and the available commodities and contracts expands on nearly a daily basis.

Trading in such over-the-counter ("OTC") commodities markets generally involves commodity traders and commodity brokers placing bids to buy physical commodities or derivatives, consisting of contracts known in the commodities industry as "swaps" and "options", the value of which are based upon the fluctuating prices of one or more underlying commodities that are the subject of such contract, and offers to sell commodities and derivatives, in the various forms. Such bids and offers are often designated as firm or non-firm.

5 buy physical commodities or derivatives, consisting of contracts known in the commodities industry as "swaps" and "options", the value of which are based upon the fluctuating prices of one or more underlying commodities that are the subject of such contract, and offers to sell commodities and derivatives, in the various forms. Such bids and offers are often designated as firm or non-firm.

10 Firm bids and offers are generally non-negotiable while non-firm bids may be negotiable. Trading of exchange traded futures and options are also extremely active in the commodities industry.

There has been an increasing desire in the various commodities markets to move toward Internet-based system to cultivate the vast capabilities and possibilities of the Internet in order to attract new clientele and to expedite and process transactions between parties. Currently, OTC physicals and derivatives are traded dominantly via a phone based system of Party A calling Party B. Regulated futures contracts have been trading via a "pit" and electronic "non-internet" basis. However, the actual trading of the OTC physical and derivative commodities is generally left to brokers and traders using relatively traditional means of telephone, fax, and telex. In this regard, various industry entities comprised of commodity traders, commodity brokers, and combinations thereof, have been forming groups to study the use of the Internet as a tool to "pool order liquidity" and "streamline transactions and workflow". However, a major problem occurs when multiple groups form as liquidity is thus divided up or spread out amongst the groups. Certain groups may have dominant liquidity in commodities specific to that group. However, commodities that are common to various groups have liquidity drained by splitting the liquid pool provided by users amongst the multiple groups.

15 capabilities and possibilities of the Internet in order to attract new clientele and to expedite and process transactions between parties. Currently, OTC physicals and derivatives are traded dominantly via a phone based system of Party A calling Party B. Regulated futures contracts have been trading via a "pit" and electronic "non-internet" basis. However, the actual trading of the

20 OTC physical and derivative commodities is generally left to brokers and traders using relatively traditional means of telephone, fax, and telex. In this regard, various industry entities comprised of commodity traders, commodity brokers, and combinations thereof, have been forming groups to study the use of the Internet as a tool to "pool order liquidity" and "streamline

25 transactions and workflow". However, a major problem occurs when multiple groups form as liquidity is thus divided up or spread out amongst the groups. Certain groups may have dominant liquidity in commodities specific to that group. However, commodities that are common to various groups have liquidity drained by splitting the liquid pool provided by users amongst the

30 multiple groups.

What is desired, therefore, is system for trading commodities and the like in an Internet-driven environment, such as designated web sites for each group, that permit member traders and brokers of the groups to post and view bids and offers on commodities specific to that group as well as common
5 commodities and negotiate and consummate transactions based on the bids and offers across the various groups, thereby pooling liquidity and truly streamlining transactions and improving workflow between the various entities.

Summary Of The Invention

10 Accordingly, it is an object of the invention to provide a system for facilitating commodity transactions.

Another object of the present invention is to provide a system that permits the user to control how any bids or offers submitted are acted upon and viewed by other users.

15 Yet another object of the present invention is to provide such a system that permits users to operate within specific exchanges having specific commodities.

It is a further object of the present invention to provide such a system that enables various exchanges to create and share commodities within a
20 unified database.

It is another object of the present invention to provide such a system that permits the user to rapidly peruse a variety of available transactions.

It is yet another object of the present invention to provide such a system that operates over the Internet.

Another object of the present invention to provide such a system that can permit a user to quickly review the user's current position.

These and other objects of the invention are accomplished by the provision of a system for trading commodities and the like. The system
5 comprising a computer, a communications link between the computer and the Internet, a database, accessible by the computer, containing a plurality of user files wherein each of the user files contains a plurality of transaction parameters corresponding to one or more indications associated with the user file. The transaction parameters govern the presentation and acceptance of
10 indications associated therewith. The system further includes a database, accessible by the computer, containing a plurality of indications wherein each of the indications contains information corresponding to an open bid or offer for a specified commodities, and an indication selection submitted by a user over the communications link. Software executing on the computer receives
15 the indication selection, retrieves an indication corresponding to the indication selection from the indication database, queries a user file in the user database corresponding to the indication to determine transaction parameters associated with the indication, and presents the indication to the user in accordance with any determined transaction parameters.

20 The user files may further containing exchange permissions corresponding to exchanges to which the user may access and at least one computerized exchange for transacting specified commodities accessible by selected users having proper exchange permissions for each exchange. Software executing on said computer queries the user database to retrieve
25 exchange permissions from a user file corresponding to the user, retrieves indications from the indication database corresponding to the predetermined commodities within the exchanges to which the user has been determined to have access and generating a presentation of the retrieved indications.

Preferably, the system permits a submitter of an indication to remain
30 anonymous or reveal certain information to other users of the system and

grant preferred status to particular predetermined users by way of transaction parameters. The system preferably also includes software executing on the computer for transmitting a plurality of formatting, sorting and content options to the user over said communications link and formatting the plurality of bids and offers according to selections submitted by the user prior to transmitting the plurality of bids and offers to the user. The system may further include software executing on the computer for transmitting an offer form to the user over said communications link in order to create new bids and offers to add to the bid and offer database upon receipt of completed offer forms submitted by users.

The system may further include software executing on said computer for retrieving information necessary to finalize an acceptance of a firm bid or offer from the bid and offer database corresponding to a bid or offer selection, and finalizing said transaction. The system may also include software executing on said computer for facilitating non-firm bids and offers by providing users with contact information corresponding to said selection from said bid and offer database in order to permit the user to communicate with the original submitter of the non-firm bid or offer selected by the user to complete the transaction. Such communication may also involve a negotiation regarding the selected non-firm bid or offer. Preferably, software executing on the computer also tracks the activities of users and stores the tracked activities of each user in their respective user files for later perusal by users and/or administrators.

The invention and its particular features and advantages will become more apparent from the following detailed description considered with reference to the accompanying drawings.

Brief Description Of The Drawings

FIG. 1 is a schematic of a system for trading commodities in accordance with the present invention.

FIG. 2 is a schematic of the authentication process of the system depicted in Fig. 1.

FIG. 3 is a schematic of the indication presentation process of the system depicted in Fig. 1.

FIG. 4 is a schematic of the indication submission process of the system depicted in Fig. 1.

FIG. 5 is a schematic of an embodiment of the consummation of transaction process of the system depicted in Fig. 1.

FIG. 6 is a schematic of another embodiment of the consummation of transaction process of the system depicted in Fig. 1.

FIG. 7 is a schematic of the exchange and commodity-sharing features of the system depicted in Fig. 1.

Detailed Description Of The Drawings

Figure 1 depicts a system 10 for trading commodities in accordance with the invention. The system 10 includes a computer 12 and a communications link 14 between the computer 12 and the users 16 of the system. The computer 12 may be any type of computing device capable of performing the functions described herein. For example, the computer 12 may be a personal computer, minicomputer, mainframe, supercomputer, web server, or any combination thereof. The communications link 14 may take any suitable form that permits communication between the users 16 and the

computer 12, such as a direct-dial modem connection or hardwire connection. Preferably, the communications link 13 comprises an appropriate connection between the computer 12 and the Internet and software executing on the computer 12 for operating and maintaining an interactive website for facilitating communication between the computer 12 and users 16. Users 16 of the system 10 will generally include commodity traders 18 seeking to place offers or bids and/or professional commodity brokers 20 seeking to do the same on behalf of their clients.

10 A user 16 of the system 10 must first be authenticated 22 before he can enter and utilize the system 10. The authentication process 22, shown in Fig. 2, generally includes the submission of authentication data 24 associated with the user 16 that permits the computer 12 to recognize the user 16, such as a username and password. Software executing on the computer 12 may transmit a prompt to the user 16 over the communications link 14 requesting 15 the user's authenticating data. The user then submits 24 his data to the computer 12 over the communications link 14. Upon receipt, software executing on the computer 12 accesses a database 26 containing a plurality of user files to verify 28 the submitted authentication data 24. The user file acts as a depository for all information related to the user. Once verified, the 20 user 16 has been authenticated 30 and can proceed to use the system 10. Alternately, the system 10 may include cookie technology that permits the computer 12 to immediately identify and recognize the user 16 once the user accesses the system 10 or the system 10 may include software executing on the computer 12 that recognizes the user based on the user's Internet 25 Protocol (IP) address. These alternatives would allow the user 16 to be immediately recognized without having to actively submit any authentication data.

If the user 16 does not have any authentication data 24, he may request to register with the system 10. In such a case, software executing on 30 the computer 12 transmits a registration form 32 to the user 16. The

registration form 32 may also be transmitted to a prospective user via other means such as e-mail or postal service. Preferably, though, the registration form 32 is electronic and is received and completed 34 by the user 16 and returned electronically via a website to expedite and simplify the process. The

5 registration form 32 may request any information deemed to be necessary by the administrators of the system 10 to determine whether the user 16 is eligible to perform trades on the system 10 and any preferences the user may have regarding various options described herein. Once the registration form has been submitted 34 and approved, the user 16 is assigned authentication

10 data 24, such as a username and password, and a user file 38 related to the user 16. The user file contains the authentication data 24 and any other information provided by the user in the registration form and is created 36 and stored in the user database 26. It is to be understood that authentication data 24 such as user names and passwords can be chosen by the user 16 as

15 opposed to being assigned by the computer 16.

Once an authenticated user 16 accesses the system 10, software executing on the computer 12 accesses a database 40 containing a plurality of open bids and offers currently available for trading that have been previously submitted by other users 16 of the system 10. Such open offers

20 and bids are generally referred to as indications of interest, or indications for short. Each indication contains relevant information pertaining to the bid or offer such as the type of commodity involved, the amount of commodity available, the price of the commodity, and/or the contact information required, if any, to complete a transaction related to the indication. The software

25 retrieves the indications from the database and presents 42 them to the user 16 over the communications link 14. Generally, the indications are presented to the user 16 as a list or table that permits the user 16 to select any specific bid or offer.

Preferably, each of the user files in the user database 26 contains a

30 plurality of transaction parameters corresponding to one or more indications

associated with said user file. These transaction parameters govern the presentation and acceptance of indications associated therewith. The transaction parameters may enable a submitter of an indication to remain anonymous to specific users 16 of the system 10 that have been

5 predetermined by the submitter. For example, the submitter may wish to post his indications anonymously to certain other users for various reasons. The transaction parameters may also permit the submitter of an indication to grant specific users preferred status over other users of the system with respect to actions concerning indications submitted by the submitter. For example, a

10 submitter may have had good relations with particular user and may wish to give them preference over other users of the system such as for credit purposes or otherwise. In essence, the transaction parameters permit the submitter of an indication to control to how the indication is presented and acted upon by other users. Other examples of transaction parameters may

15 include whether the indication is firm or not or the desired contact person regarding the indication.

The transaction parameters are predetermined by the user and may be submitted to the computer 12 by a user 16 within a completed indication submission form 58. The transaction parameters may also be determined by the user 16 and submitted to the computer 12 within the completed registration form. Software executing on the computer would retrieve the transaction parameters submitted within the completed indication submission form or completed registration form 32 and store the transaction parameters in a user file corresponding to the user.

Preferably, the presentation 42 of the indications is completely sortable and interactive to permit the user 16 to quickly and easily access any desired indications or information that is available, as shown in Fig. 3. Software

20 executing on the computer 12 may transmit a plurality of format, content, and/or sorting options 44 to the user 16 over the communications link 14. Such format options may include the format in which the bids and offers are

presented to the user 16, such as in tabular or graphical format. Content options may allow a user to retrieve indications for specific bids or offers having certain parameters, such as commodity type, bid versus offer, or other discernible difference ascertainable from any information submitted with the indication. For example, the user may seek only open offers on brent or firm bids from a specific trader or broker. The software may also transmit a plurality of sorting options to the user over the communications link. Such sorting options could include options to sort by date posted, highest/lowest price, quantity available, etc.

10 It is to be understood that the format, content, and sorting options of the presentation of the indications are closely interrelated and can be presented to the user 16 simultaneously. Upon receipt of the customer selections 46, if any, software executing on the computer 12 queries the indication database 40 to retrieve 48 any indications corresponding to the user's selections 46. The software then queries 49 the user files associated with the retrieved indications to determine the transaction parameters related to each indication. The software then creates 50 a presentation of the retrieved indications based on the user's selections 46 and determined transaction parameters. The created presentation is then transmitted and displayed 52 to the user 16 over the communications link 14. Preferably, during the registration process or otherwise, the user submits the user's preferred format, content, and sorting options to the system and the preferred options are stored in the user's user file. As such, the user may be presented with a display corresponding to their preferred options whenever the user accesses the system. For example, the user may primarily trade in three types of commodities and only desire to see the five indications in each commodity having the lowest offer price. The user would still be able to modify the presentation upon accessing the system and could modify the preferred options from time to time as needed or desired.

In practice, the user 16 may be presented with a menu permitting the user 16 to select which commodities for which he would like to view indications and in what order the display would be organized. For example, the user 16 may wish to be presented with a table displaying the currently
5 open offers on crude brent arranged according to number of barrels available. Additionally, the user 16 may search for a particular offer matching specific parameters, such as bids on Brent for a specified price, submitted by the user 16 to the computer 12 over the communications link 14. Preferably, the
10 system 10 further includes software executing on the computer 12 for refreshing and updating the user's presentation 52 of indications to reflect new bids and offers as other users of the system submit them. Therefore, the user 16 can be apprised on a real-time basis of the current bids and offers available for trading within the system 10.

Regardless of the format or style of the presentation 52 of indications
15 chosen by the user, it is important that the user 16 be presented with sufficient information to make a determination as to whether or not the user 16 would like to pursue the bid or offer further. As such, initial displays 52 may only present a limited summary of the bid or offer in order to conserve space and facilitate quicker perusal of larger number of bids and offers. The user 16
20 may then request more detailed information regarding specific bids and offers, if desired.

As shown in Fig. 4, in order to submit 54 a bid or offer to the system 10, the user 16 must complete and submit an indication submission form 56. Software executing on the computer may transmit the submission form 56 to
25 the user 16 over the communications link 14. Alternately, the submission form 56 may be incorporated into the indication presentation 52 to permit the user 16 to quickly view the existing market depth and submit a bid or offer. The submission form 56 requests all necessary information for permitting a trade to be accomplished, for example the commodity type, number of units,
30 cash price, term of open bid or offer, delivery month, contact information, if

- applicable, etc. Upon receipt of a completed submission form 58, software executing on the computer 12 creates 60 a new indication based on the information provided by the user 16 in the completed registration form 58 and stores 62 the new indication in the indication database 40. Preferably, the
- 5 software also updates the user's associated user file 38 in the user database 26 to reflect the submitted indication. This readily permits the user 16 to access all the indications he has submitted. Once stored in the indication database 40, the new indication may be accessed and presented to all current and subsequent users of the system 10 for their perusal and action.
- 10 Additionally, software executing on the computer may permit the users to withdraw or cancel a bid or offer if such a bid or offer were not firm or had not been accepted as of the time of withdrawal.

- The process for completing 66 a trade or transaction depends on the capabilities of the specific system and the type of indications being presented
- 15 to the user 16, namely whether the system 10 processes firm or non-firm bids and offers. If the system is 10 capable and certified to process and transact firm offers, the consummation of the transaction can be accomplished very easily, as shown in Fig. 5. Once the user 16 finds an indication that he desires to accept, the user may select the indication from the presentation 52
- 20 and submit 68 the selection to the computer 12 over the communications link 14. Software executing on the computer 12 would receive the indication selection and process and complete 70 the transaction appropriately and in accordance with any transaction parameters that may be associated with the selected indication 68. Once completed, the user 16 and the submitter of the
- 25 selected indication may be transmitted 72 a confirmation that the transaction was successful over the communications link 14 by the software. The software may also remove 74 the selected bid or offer from the indication database 40 and update 76 the appropriate user files 38 in the user databases 26 to reflect the transaction. Thus, through a simple process, such
- 30 as a point and click operation on a website, the user may complete a transaction when the system 10 includes firm bids and offers.

In practice, a submitter would enter a firm bid to buy, or firm offer to sell commodities or derivatives at a specific price for a particular delivery date, both of which were designated by the submitter in the respective completed indication submission form. If the user 16 desires to accept a firm offer or bid, then the user need only click on the desired firm indication using a mouse or keyboard or other appropriate input device, at which point the transaction would be considered final and binding between the user and the submitter. The system 10 then would automatically generate a trade confirmation and transmit it to both parties to the trade over the communications link.

In the instance where non-firm bids and offers are presented to the user 16 by the system 10, as shown in Fig. 6, the consummation process is more interactive and involved. As before, the user 16 selects and submits the indication desired to be accepted to the computer 12 over the communications link 14. Software executing on the computer 12 receives the user selection 68 and retrieves 78 contact information corresponding to the selected bid or offer 68 from the bid and offer database 40. The contact information 80 identifies a person 82, generally another broker or trader, to be contacted regarding the selected indication who has the authority and capability to complete the transaction. The contact information 80 also contains appropriate information on how to communicate with the person 82, such as a phone number or e-mail address. The submitter of the indication may provide the contact information 80 of the desired contact person 82 during the bid or offer submission process 54, for example within the indication submission form 56. Alternatively, the appropriate contact information 80 may be obtained during the authentication process 22, included in the user file, and added automatically to the bid or offer when a user 16 makes a submission.

The retrieved contact information 80 is then transmitted to the user 16 over the communications link 14. Upon receipt, the user 16 contacts the person 82 accordingly depending on the content of the contact information 80

to complete the transaction. The system 10 may provide for some flexibility of the indications submitted permitting the user and the contact person to negotiate various aspects of the bid or offer prior to consummating the trade. As can be seen, in instances of transactions involving non-firm bids and offers, the user 16 must contact a third party apart from the computer 12, such as by phone or otherwise to complete the deal. However, the system could be readily modified to include software executing on the computer 12 for providing users 16 of the system 10 a computerized means for real time communication, such as a dedicated secure chat room, in which the various parties to the transaction may directly communicate to negotiate or otherwise complete the transaction. Nonetheless, the consummation of non-firm indications may be completed off-line from the computer 12. This aspect is indicated in Figure 1 by the dashed lines.

In practice, a submitter, whether it be a trader or broker, would submit to the computer 12 an indication at a specific price for a particular delivery or settlement date, both of which are designated by the submitter in the respective completed bid or offer submission form. If the user sees the submitter's bid or offer, he may select it if he is interested in negotiating a transaction based upon that indication. Once the user clicks on the bid or offer, the computer transmits the contact information for the submitter to the user over the communication link. For example, the computer would transmit the name of a broker and how to contact him. The user may then, independent of the system or otherwise, contact the submitter and attempt to negotiate a firm and binding agreement based upon the original terms presented by non-firm bid or offer submitted.

Indications submitted by brokers may show the name of the broker and how to contact him and often the underlying client on whose behalf the broker is working. However, depending on the transaction parameters selected by the broker, he may elect to submit all bids and offers anonymously for his client, i.e. that a client's name or other identification information not be

provided with any bids or offers submitted to the system 10. Alternatively, the user 16 may permit the broker to submit indications under the user's name. Thus, the broker may submit a bid for a commodity and the indication could be shown under the user's contact information and according the user's
5 desired transaction parameters. It is to be understood that any other user of the system 10 designated by the user 16 may be utilized by this feature and the other user need not be a broker. The feature may also be integrated as a transaction parameter. The broker may also provide a list of traders and brokers having a preferred status with his client as part of the transaction
10 parameters. Traders and brokers with the preferred status would be able to identify the client 16 as the submitter of the indication and/or have other benefits regarding action on the indication.

The system 10 may also collect information regarding each transaction performed by the user 16. Software executing on the computer 12 would
15 track all submission, actions, and trades performed by the user 16 and store the collected information in the user's user file 38 in the user database 26. Thus, a user may access and view his personal trading history. The trading history could be sortable and searchable to permit the user 16 to access and display any desired or specific types of trades performed. For example, the
20 user 16 may wish to view all completed trades for a specific time period or cancelled trades for a specific commodity or his position in a particular commodity. This feature may be extended to permit an administrator to monitor and track transactions of a specific group of traders. In such an instance, the administrator would be granted permission by the system 10 to
25 access and view the user files 38 of specified users. For example, a brokerage firm may have twelve traders working for it using the system 10. This feature would allow the manager to monitor and review the transactions and performance of each of the twelve traders or view the firm's position in various markets. Software executing on the computer could permit the
30 administrator to sort and view the desired information in any selected format, similar to the options provided in the presentation process 42.

The system may further include software executing on the computer 12 for operating and maintaining a plurality of different exchanges 88, as shown in Figure 7. The exchanges 88 permit the transaction of predetermined commodities and are accessible by only selected users 16 having proper exchange permissions corresponding to each exchange. Indications involving the commodities associated with an exchange are solely accessible by users 16 who have access to the exchange. Likewise, any indications submitted by users 16 having access to the exchange 88 would be stored in the database under the commodity associated with the exchange. Accordingly, indications within the indication database 40 may be organized according to the commodity to which the indication relates to facilitate and expedite access to the indication by the exchanges 88 and ultimately, the users 16. The exchanges 88 may be created by the system administrators or any other entity desiring to create an exchange. The party that creates the exchange may also decide and/or create the commodities associated with the exchange 88. Preferably, all the exchanges 88 utilize and retrieve information from a common indication database that is shared by all of the exchanges in the system 10.

The exchange feature is shown by way of example in Figure 7. Exchange B 88b is associated with Commodity B 94 in the indication database 40. Users 16b having exchange permissions for Exchange B 88b may view and select 96 bids and offers 98 from indications stored under Commodity B 94 in the indication database 40. Any indication submissions submitted by the users 16b would be stored in the indication database 40 under Commodity B 94. However, as can be seen, users 16b having access to Exchange B may not view or transact any indications that may be stored in any other commodities in the indication database 40, such as the bids and offers 100 stored in Commodity A 102.

In many instances, it may be desirable to grant commodity-sharing privileges 104 to other exchanges to improve the liquidity of transaction of

commodities between various exchanges 88 and users 16. Such privileges would permit multiple exchanges to transact indications within a single commodity in the indication database 40. As shown in Figure 7, Exchange A 88a is associated with Commodity A 102. If Exchange B grants commodity-sharing privileges 104 to Exchange A 88a, users 16a having exchange privileges for Exchange A 88a may now view and transact 106 any bids and offers 96 in Commodity B 94 in addition to any indications 100 within Commodity A 102. However, when users 16a of Exchange A submit indications relating to Commodity A 102, the indication would be stored under Commodity A 102 in the database. Such commodity-sharing privileges are generally agreed to between the various creators of the exchanges 88. It is to be understood that any number of exchanges 88 may agree to grant commodity-sharing privileges 104 between them for any number of commodities. While Figure 7 illustrates a unilateral commodity-sharing privilege, it is to be understood that such commodity-sharing privileges may also be bilateral permitting both exchanges to view and transact indication within the other's related commodities.

The exchanges 88 may be accessed through the authentication process 30 to permit the user to directly access any exchanges 31 to which the user 16 may have access. Software executing on the computer 12 would query the user's user file to verify proper exchange permissions. Additionally, the registration form may permit the user 16 to select which exchanges he would like to have access. The system may grant permissions directly to the user 16 if the desired guidelines have provided to the system administrators by the exchange creator or the request may be appropriately forwarded to the creator for independent decision. It is to be understood that users 16 may directly contact an exchange creator and seek permissions and the creator may contact the system administrators to grant the exchange permissions. Regardless, if a user is granted access to an exchange, the exchange permissions are preferably stored in the user's user file 38 in the user database 26.

If the instance of exchanges 88, when presenting 42 indications to the users 16 of an exchange, software executing on the computer 12 may query the user database 26 to retrieve and/or verify the exchange permissions from a user file 38 corresponding to the user 16 and retrieve indications from the indication database 40 corresponding to the predetermined commodities within the exchanges to which the user has been determined to have access. The software may then generate a presentation 52 of the retrieved indications and transmit the presentation to the user 16 over said communications link 14.

10 The system may further include software executing on the computer for tracking and storing information corresponding to all the transactions that are completed on the system. Such information may include the commodity, the number units, the unit price at which the commodity, for example. Such tracked information may then be downloaded or otherwise transferred to any
15 desired third party database or system for further processing or use.

The previous description and figures encompasses specific embodiments of the present invention. More specifically, the description and figures refer to the trading of commodities. While the description refers only to commodity trading, it is to be understood that the system is applicable to all
20 types of trading of tangibles and/or intangibles, including, but not limited to, trading of products, things, services, stocks, securities, futures and bonds.

Although the invention has been described with reference to a particular arrangement of parts, features, and the like, these are not intended to exhaust all possible arrangements or features, and indeed many other
25 modifications and variations will be ascertainable to those of skill in the art.